



## 2016 BUDGET MESSAGE

---

Township Administrator's Budget Message

# **MIAMI TOWNSHIP CLERMONT COUNTY, OHIO**

**2016 BUDGET  
Township Administrator Budget Message**

**December 4, 2015**



# 2016 BUDGET MESSAGE

---

## Township Administrator's Budget Message

### Introduction

I am pleased to present you with the draft Miami Township 2016 Budget. Similar to the 2015 Budget, the revenues are generally improving as a result of an improving economy.

The Fiscal Office and I have made a few minor improvements to the structure of how we are displaying information in the Budget to give readers more information. Within the Operating section of the Budget rather than just depicting what is being proposed for 2016, we have added columns to show the prior year's budgeted amount for each fund; the prior year's projected amount for each fund; and the three prior year's to that budgeted amount. We feel that this will more easily show trends and allow the reviewer to make better comparisons and contrasts. I appreciate Bill Taphorn's entries of the historical data. There may be additional tweaks that the Trustees and staff collectively would like to make in the future but I did not want to suggest too many changes so early.

Department Heads have proposed an ambitious list of capital projects. We anticipate questions at the public hearing on December 14th regarding the projects and the need to prioritize such a list. Department Heads will be prepared to explain the hierarchy of proposed projects.

We have physical and statistical evidence that there is renewed interest from investors, home builders and potential residents in the Township. We all understand that the rapid growth that occurred in the Township during the two decades prior to the Great Recession will not be seen at such a pace again. The largest tracts of developable land with less topography challenges and readily available utilities have mostly been developed. However, based on zoning certificate data there are increasingly new developments occurring that will have high property values.

So far in 2015 the estimated valuation of the buildings and improvements that have received zoning permits have a total valuation of \$42.5 million. From 2008 to 2014 the average, annual valuation of new improvements was only \$13.4 million. We are on pace to have four times more new businesses in 2015 than we had in 2014. The number of new home starts is not at a pre-recession level, but new subdivisions are still being proposed and the value of the new homes are typically higher. The value of the several, new elderly care and clustered housing developments seem to be in the range of \$5,000,000 to \$7,000,000 per property.

For the third year now since the end of the recession we are able to replace some assets that were deferred during the worst years of the recession. The use of Tax Increment Finance funds for capital purchases, particularly in Safety Services, has helped conserve other levy funds for operating costs.

Some of the projects and investments proposed for 2016 are items that will further the objectives of the 2014 Strategic Plan in the areas of community identity and economic development.



## 2016 BUDGET MESSAGE

---

### Township Administrator's Budget Message

Luckily, the most pressing financial challenge for 2015 was solved during the November election when a new Safety Services Levy was passed. Thanks to the support of our residents, the new levy will begin generating \$2,500,000 annually that will be shared by the Fire and EMS Department and Police Department.

If it appears that there is a larger volume of capital improvements proposed for 2016, that reason is two-fold. First, there were several capital projects included in the 2015 Budget that are in the due diligence or design phase but were not completed. The largest reason for that is the fact that the Township experienced a large amount of turnover of departments heads in the middle of 2015. Our Service Department had an interim and then final leadership change with the hiring of John Musselman. Mr. Musselman is tasked with being the project manager for the largest number of projects. In addition, Brian Elliff started as the new Planning and Zoning Administrator at the beginning of summer. Lastly, we had two transitions in the Administrator role with my start date of September 1<sup>st</sup>.

The second reason for the larger volume of proposed capital improvements is that not only the leadership team members mentioned above, but nearly the entire team of department heads are fairly new to their positions, with both our Fire and Police Chiefs having been in their current positions for less than three years. The Board of Trustees have recruited a team of leaders who are driven to identify improvements, process efficiencies and improved service deliveries. They will collectively continue to identify replacement and improvements of existing equipment and infrastructure as their drive to be the best at serving residents is juxtaposed to a concept of over-deferring maintenance of our assets.

I want to mention something that is very important but cannot be easily quantified by the dollars and cents of an annual budget. A positive observation that I have made during my three months back at the Township is the obvious improvement of every department head cooperating with other departments. There truly is a sense that they give proactive effort to help other departments succeed. This is not only beneficial to being more efficient and effective to provide great service to our residents, but it has also become infectious and the examples they are setting is also increasingly visible among all of their employees.

Lastly, I want to recognize the critical assistance from Fiscal Office employees Bill Taphorn and Jan Morel in the preparation of this budget. I appreciate the cooperation that exists between the Fiscal Office and Administration.

The budget message is divided into seven sections:

1. Overview of the revenue trends and projections
2. Overview of Township Staffing
3. Overview of the Operating Budget
4. Overview of Debt Service
5. Overview of Capital Budget and Major Purchases
6. Overview of the TIF/RID
7. Work Program



## 2016 BUDGET MESSAGE

---

### Township Administrator's Budget Message

#### **Section 1 – Revenue and Year end Balance Trends (2011-2016)**

The General fund revenue has dropped from 2.6 million to 1.6 million dollars over the past five years. This is a direct result of cuts in the local government fund, the elimination of the estate tax and the reevaluation of property values. This revenue will not be returning to local government. Indirect administrative reimbursements have been made to the General Fund from all departments to cover Township wide expenses. Based on projected revenues and proposed spending we are budgeting to have a reserve in the General Fund at the end of 2016 of \$2,750,000, which is a larger reserve than 2015's \$2,670,000.

The operation of the Service Department is funded by the Road and Bridge Fund. The fund is bringing in less revenue annually than in previous years. The decrease in revenue is also attributed to loss of state revenue and the devaluation of property values in the Township. Capital expenditures are from the Permissive, Motor Vehicle and Gasoline Tax Funds.

The Park Fund revenue has remained consistent over the past five. There is a projected significant decrease in the year-end balance in 2016. The decrease is attributed to several one time capital projects in our parks including the replacement of the playground equipment in Miami Meadows Park, replacement of the skateboard park at Miami Meadows and the first of several phases of repaving the parking lots at Miami Riverview Park.

The Police and Fire/EMS Department expenses represent over 65% of the total Operating budget. As stated in previous budgets the Police, Fire and EMS levies cannot cover the cost of operating the departments. The police levy covers only half the operational cost of the Police Department. The two Safety Service levies cover the remainder of the Operational costs.

The same holds true of the Fire/EMS department. The Fire and EMS levies only cover about half the operational expense of the department. The Safety Service levies cover the gap for annual Operational expenses.

We will experience a one-time, large revenue boost in 2016 to the General Fund. Three of our ten year length RIDs expired at the end of 2015, therefore a combined reserves from the three in the amount of \$415,000 will be deposited into the General Fund.



# 2016 BUDGET MESSAGE

## Township Administrator's Budget Message

### Year End Balance Trend 2011-2016

Department	2011	2012	2013	2014	2015 Estimate	2016 Projected
General Fund - Adm	\$ 2,600,401	\$ 3,086,012	\$ 3,300,000	\$ 2,900,585	\$ 2,670,000	\$ 2,750,000
Service	\$ 1,243,486	\$ 1,673,525	\$ 1,790,000	\$ 1,369,483	\$ 1,487,000	\$ 940,350
Parks & Recreation	\$ 491,839	\$ 638,873	\$ 780,000	\$ 755,658	\$ 800,000	\$ 40,000
Safety Services	\$ 9,319,948	\$ 9,968,104	\$ 9,209,189	\$ 7,210,456	\$ 5,444,800	\$ 6,003,000

### Revenue Trends 2011-2016 (not including beginning balances)

Department	2011	2012	2013	2014	2015 Estimate	2016 Budget
Administration	\$2,421,968	\$ 2,207,338	\$ 168,709	\$862,573	\$1,742,000	\$1,659,000
Service Operating	\$1,631,600	\$1,518,000	1,\$501,400	\$1,393,407	\$1,432,500	\$1,570,000
Other 3 Rd Funds	\$ 706,700	\$ 683,600	\$ 702,100	\$725,435	\$ 750,000	\$734,000
Parks & Recreation	\$1,390,000	\$1,320,300	\$1,341,800	\$1,383,616	\$1,420,000	\$1,350,000
Police	\$3,862,900	\$ 3,172,250	\$2,913,400	\$3,013,330	\$2,952,000	\$2,850,000
Fire/EMS	\$3,861,332	\$ 3,770,800	\$3,984,100	\$4,265,009	\$4,370,000	\$4,452,000
Safety	\$6,365,611	\$ 6,265,900	\$6,281,526	\$6,542,552	\$6,503,900	\$9,143,000

Administration does not include Indirect overhead reimbursement or 1-time sources

Police and Fire & EMS does not include transfers-in from Safety

2016 Safety includes new 2.5 mil Levy but not Debt proceeds for new Fire & EMS Bldg



## 2016 BUDGET MESSAGE

---

### Township Administrator's Budget Message

#### **2. Trends and Overview of Township Staffing**

In 2015 new full-time hires were only made in the Service and Police Departments to backfill vacancies that had existed for a few years since the middle of the former recession. The only General Fund hire necessary for 2016 is the requested planning/zoning employee to restore the position that has been vacant since 2013. Hires that will take place in the Police Department will only be restoration of officer positions that will become vacant due to promotions that will occur with the retirement and attrition of existing sergeants. Three new full-time firefighter/paramedics are included in the proposed budget and were discussed as goals of the new Safety Services levy that was passed, but I am recommending that the hire dates are not effective until October so as to reduce the new expense to as late as possible as the new Fire Station 29 will open next winter. Every department continues to utilize part-time employees to fill voids in a cost effective manner.



## 2016 BUDGET MESSAGE

### Township Administrator's Budget Message

### 3. Overview of the 2016 Budget

#### 2016 Total Estimated Revenue

Fund			Total Normal	1 time	Total Funds
		Beg. Balance	Revenues	Revenues	Available
General Fund	Operating	2,670,000	2,062,500	567,500	5,300,000
Road & Bridge	Operating	1,175,000	1,570,000	0	2,745,000
Permissive	Capital	90,000	392,000	0	482,000
Motor Vehicle	Capital	10,000	57,000	0	67,000
Gasoline	Capital	-	285,000	0	285,000
Cemetery	Operating & Capital	24,000	40,000	0	64,000
Park	Operating & Capital	748,000	1,350,000	0	2,098,000
Police	Operating	-	6,658,350	= w/Transfers-in	6,658,350
EMS	Old Levies	-	2,150,000	0	2,150,000
Fire & EMS	Operating	-	8,187,800	= w/Transfers-in	8,187,800
Safety	Operating & Capital	6,110,000	9,143,000	2,500,000	17,753,000
TIF & RID	Capital	2,750,000	4,222,000		6,972,000



## 2016 BUDGET MESSAGE

---

### Township Administrator's Budget Message

#### 2016 Proposed Budget

Fund	Labor	Operating	Capital	Total	Reserves
Administration	1,031,700	1,304,000	181,500	2,517,200	2,801,944
Service	1,054,400	560,850	520,000	2,135,250	609,750
3 other Rd Funds	-	316,000	375,000	691,000	143,000
Parks	610,100	327,900	422,200	2,088,500	305,900
Recreation	285,200	146,000	-		
Police	5,621,150	1,037,200	see Safety	6,658,350	
Fire & EMS	6,965,800	1,222,000	see Safety	8,187,800	
Safety	-	120,000	4,080,500	4,200,500	6,006,350
<b>Totals =</b>	<b>15,568,350</b>	<b>5,017,050</b>	<b>5,893,200</b>	<b>26,478,600</b>	<b>9,532,400</b>

Details on the Capital budget are found later in the Budget Message in Section 5.





## 2016 BUDGET MESSAGE

### Township Administrator's Budget Message

#### 4. - Overview of Debt Service

Miami Township continues to have a very low debt ratio for a community and budget of our size. There are three existing loans that will all be retired in 2017: the Civic Center Road Project, previous ambulances, and Loveland Miami Road improvements.

The TIF and RID districts which have development already existing in them are a steady, reliable source of revenue for permitted safety services and infrastructure projects. For some of the capital projects and purchases being proposed by department heads in those areas, Mr. Taphorn and I are recommending that if they are supported, TIF and RID revenue be used to support some short-term bonds for a few of the projects. Rates for municipal bonds remain near all time lows of approximately 3%. Doing so preserves more of these funds' reserves for future years.

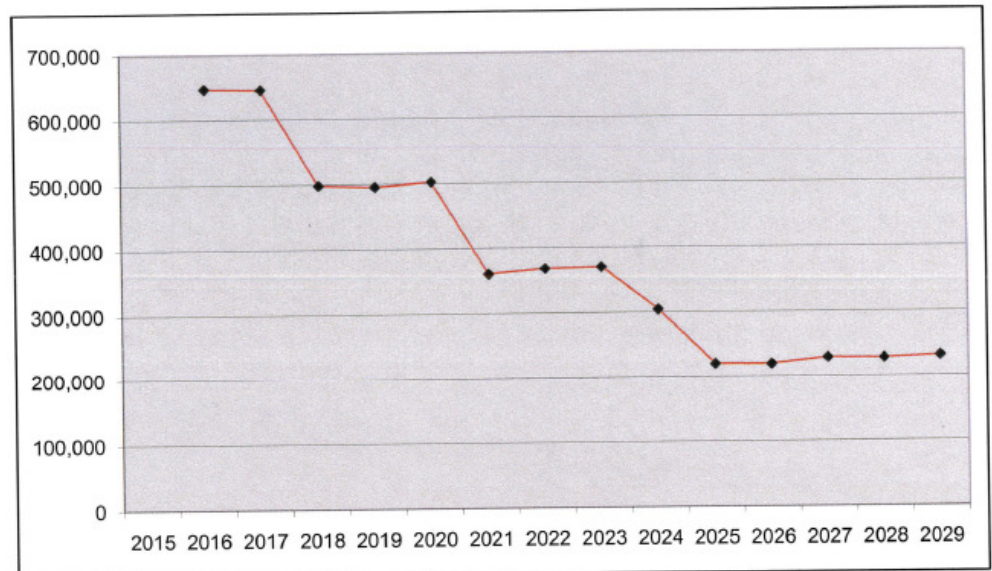
Some of the requested capital projects being proposed that would be funded by TIFs and could be funded with a single bond sale include the Police Department lower level rehab and 3 fire vehicles

**Total Annual Liability**

Year	Total P & I
2112	
2013	
2014	
2015	
2016	647,310
2017	645,885
2018	498,010
2019	495,410
2020	502,510
2021	360,460
2022	368,410
2023	370,510
2024	304,410
2025	219,860
2026	219,540
2027	229,080
2028	228,200
2029	231,750

2016 - 2029 P+I = \$ 5,321,345

**MIAMI TOWNSHIP ANNUAL DEBT RETIREMENT SCHEDULE**





## 2016 BUDGET MESSAGE

---

### Township Administrator's Budget Message

#### **5. Overview of Capital Budget and Major Purchases**

There are capital improvements and major purchases proposed by almost every department. These include proposed purchases in 2015 and set asides for proposed capital projects at some point in the future. As previously stated, some are carry-over from 2015, which for a variety of reasons were delayed until next year.

With having so many members of the leadership team in their position for three years or less, we have a very fresh set of eyes and perspectives for evaluating the conditions of our assets.

Each department has prepared a vehicle and equipment replacement schedule. These schedules are located behind the "Capital" tab of this document. Each schedule provides a five year projection on the replacement of equipment and vehicles.

Staff has a renewed dedication to seeking grants, when eligible, to pay for a portion of capital improvements. Mr. Musselman was successful this fall in applying for Ohio Public Works Commission funds to pay for 79% of the costs of the Dry Run Road landslide project. We will be applying for the same OPWC funds in 2016 for the Klondyke Road landslide project and we will also be researching Nature Works and other State funds for any of our eligible park improvements.

The Township has developed a park system that is the envy of many other communities in the region. Now that many of the park features are ten to fifteen years old, their condition is such that replacement will be required for more items. While we obviously would replace worn items in the interest of safety and positive image, there may be an occasional item that although in a state of need, it would be worth having a discussion first about replacement of only a portion of an existing item when you weigh cost of the improvement against true usage. Such an example would be the hundreds of thousands of dollars that could be spent replacing the worn asphalt at the multiple parking lots at Miami Riverview Park. Based on the park being built out and the hundreds of parking spaces that exist which are never used simultaneously, should part of our prioritization of spending Rec funds contemplate not replacing a portion of older items if there is a consensus that some items become superfluous?

With decreased revenues in the various Service Department funds Mr. Musselman has a concern that at our current rate we will not be able to keep pace with what we should be doing for our annual street repaving program.

The proposed purchases of vehicles and equipment are shown below by department and Fund:



## 2016 BUDGET MESSAGE

### Township Administrator's Budget Message

#### Administration and Fiscal Office

##### General Fund

Set aside for capital improvements at the Civic Center	\$150,000 (could come from TIF)
Civic Center Brick Entrance Repairs	\$ 20,000
Civic Center Employee Entrance Stairs & Walk Repairs	\$ 5,000
Civic Center Replace Double Front Doors & Ramp	\$ 6,000

#### Service Department

##### Permissive Tax M.V.R. Fund

Annual Paving Program	\$308,000
-----------------------	-----------

##### Motor Vehicle License Fund

Annual Paving Program	\$ 67,000
-----------------------	-----------

##### Road and Bridge Fund

Dry Run Road Landslide Repair	\$20,000 (\$75,000 grant received from OPWC)
Klondyke Rd. Landslide Repair	\$45,000 (\$177,500 will be sought by OPWC Grant)
Replace 1 large salt truck (truck + build)	\$150,000
Replace ¾ Ton Truck	\$ 35,000
Replace 1 Ton Truck	\$ 55,000
Service Dept. Vehicle & Equipment Storage Facility	see TIF section

##### Park Fund

Replace Miami Meadows Playground	\$200,000
Leming House HVAC, Kitchen Floor, Tables, Proximity reader	\$ 24,000
Replace Wooden Ballards	\$ 7,500
Meadows Skate Park repairs	\$ 3,000
Meadows Lake Erosion (Phase 1 of 3)	\$100,000
Meadows Landscape and Irrigation at Entrance	\$ 3,000
Paxton Ramsey Walking Trails (24,000 sq. ft.)	\$ 52,000
Stain/Seal wood assets at various parks	\$ 18,500
Community Park sidewalk repair and concrete tee pads	\$ 12,500
Recycle Containers for All Parks	\$ 5,000
IMP Drainage/playground surfacing	\$ 3,000



## 2016 BUDGET MESSAGE

### Township Administrator's Budget Message

Dog Park improvements	\$ 2,000
Extend Paxton Ramsey utility closet	\$ 15,000
Riverview Park: move irrigation from well to public water	\$ 3,000
Riverview Park: replace tables at gazebo and pavilion	\$ 8,800
Vandal Resistant lights at Meadows, Riverview, Restrooms	\$ 3,900
Riverview Park parking lot repaving (Phase 1)	\$ 75,000

### **Police Department**

#### Public Safety Funds

Police Vehicles – Ford Interceptors x 3	\$134,400
Computer Notebook Replacement x 2	\$ 2,000
Tasers body cameras & digital file storage	\$ 52,000
Mobiletek - update MDC operating systems	\$ 42,000

#### TIF Funds

Rebuild lower level of PD	\$385,000 (from TIF funds)
Retrofit PD garage metal roof	\$ 90,000 (from TIF funds)
Exterior maintenance of PD paint and chimney rebuild	\$ 12,600 (from TIF funds)
Interior of PD finish and soft costs	\$ 35,000 (from TIF funds)

### **Fire Department**

#### Public Safety Fund

Stryker Power Cot and Load System x2	\$90,000
Turnout Gear and Accessories	\$76,000
North Station Repaving & Landscaping	\$40,000
Cardiac Monitor Replacements	\$25,000
MDC Toughbook CF-1 x4	\$18,000
Zoll Data EMS CAD Interface	\$7,500
Communication Equipment & Accessories	\$10,000
Central Station Bathrooms	\$15,000

#### TIF Funds

Engineering, Architectural, & Construction for Station 29	\$2,500,000 (debt funded & TIF)
Rechassie Ambulances x 2	\$ 330,000 (debt funded & TIF)
Replace Rescue Vehicle	\$ 180,000 (debt funded & TIF)

As has been the policy of the Board of Trustees all Capital budget and equipment purchase items will come back before the Board for discussion and approval before any purchase is made. Included in the Budget material is a Vehicle Replacement Plan that was prepared by the Police, Fire/EMS



## 2016 BUDGET MESSAGE

---

### Township Administrator's Budget Message

and Service Departments. These documents can be used in planning future vehicle purchases over the next five years.



## 2016 BUDGET MESSAGE

---

### Township Administrator's Budget Message

#### **6. Overview of the Tax Increment Finance District (TIF) and Residential Incentive District (RID) Funds**

The TIF & RID Funds will have a 2016 estimated beginning balance of \$2,340,352 with estimated revenue of \$4,222,000. After accounting for reimbursement to schools, payment to the County TID and payment of debt service, there will be \$3,101,646 available for capital projects.

Three existing TIFs that were only ten years in length will expire at the end of 2015: part of Whitegate, part of Tarten Glen and part of Deerfield Pointe

Below is an overview of the 2016 expenditures:

School Reimbursements	\$2,427,275
Auditor Fees	\$ 50,176
TID Contributions	\$ 500,000
Capital Improvements	\$1,115,000
Debt Service	\$ 483,255
Reimburse Safety Fund	\$ 300,000
Reserves	\$1,686,000

A detailed spreadsheet has been provided that summarizes the TIF & RID revenues and expenditures by individual fund. This spreadsheet is a valuable long term planning tool for future capital improvements. The TIF funds are projected through 2020.

A detailed description of each individual 2016 project is provided below. As stated previously, please bear in mind that many of the projects were earmarked in last year's budget but were not performed as new staff needed to review the scope and details of the projects:

**Community Park New Restroom Facilities** (held over from 2015) – A new restroom facility will be constructed for use by those using the park. The existing restroom in the Leming house is inadequate for the crowds that are drawn to the Township's special events held at the park. In addition, the restroom in the Leming House that has both an interior and exterior access could then be used exclusively by those using the Leming House.

**Safety Service Equipment Purchases** – The Police Department will be purchasing three new Ford Inceptor vehicles and making renovations to the Police Department Building. The Fire Department will re-chassis two ambulances in 2015. The Fire Department is also proposing start design work on Station 29.

**Miamiville Sewer Line Extension** (held over from 2015) – This project will extend sewer from the Wards Corner Treatment Plant to AIM-MRO in Miamiville. The project design is complete and



## 2016 BUDGET MESSAGE

---

### Township Administrator's Budget Message

Clermont County is currently going out for bids. The Township will need to issue bonds for the project. The debt service on the bonds will be paid from the revenue from the TIF on AIM-MRO.

**SR 131 Widening** (held over from 2015) – This is a partnership with Milford Schools, the Clermont County TID and Miami Township. The project will widen SR 131 in front of the new Seipelt Elementary School. The Greycliff RID will fund the Miami Township portion of the project. The Township previously entered into an agreement with the School District to provide the funding.

**Branch Hill Guinea Pike/Jer Les Drive widening** (held over from 2015) – This is a partnership with Milford Schools, the Clermont County TID and Miami Township. The project will widen Branch Hill Guinea near the entrance to the rebuilt Boyd E. Smith Elementary School. The Township previously entered into an agreement with the School District to provide the funding.

**Spirit of '76 Park Improvements** (held over from 2015) - Walkway or boardwalk around pond and other minor improvements.

**Buckwheat Road Sidewalk – Engineering** (held over from 2015) – Proposed development on Buckwheat Road is the catalyst to finish the sidewalk project by extending the existing sidewalk from Mulberry Elementary to SR 28. The project will be engineered in 2016 with construction in 2017.

**Wolfpen Pleasant Hill Sidewalk Engineering** (held over from 2015) – As with Buckwheat Road the sidewalk on Wolfpen Pleasant Hill Road will be extended from the Junior High School to Pinebrook. The project will be engineered in 2016 with construction in 2017.

**Station 29 Bond** – The design for the new fire station is currently underway. The Township will have to issue bonds for the construction of the project and begin repaying the loans in 2017, largely from the Whitegate Farms RID.

**Service Dept equipment and vehicle storage building** - The Service Department currently has to leave heavy equipment and vehicles worth hundreds of thousands of dollars outside in inclement weather. Although the repurposed contractors building that is now the Service Garage was a worthwhile venture, it is not large enough to store the equipment that we own. Storing the equipment indoors out of the elements would extend the life of the equipment.



## 2016 BUDGET MESSAGE

---

### Township Administrator's Budget Message

#### **7 - 2016 Work Program**

Staff will be as busy as ever with operations for regular provision of service and project management of a large number of building and infrastructure improvements. In addition to supporting the various departments I am going to focus some time on renewed economic development efforts and continuing the implementation of ways to increase awareness and marketing of our Miami Township "brand".

Respectively Submitted,

Jeff Wright  
Miami Township Administrator